

## Cuba

**The Development Challenge:** Cuba is one of the most economically and politically repressed countries in the world. The Heritage Foundation's 2003 Index of Economic Freedom, released November 12, 2002, places Cuba 155th among the 156 countries--just above North Korea--at the bottom of all "economically repressed regimes" in the world. Freedom House lists the Government of Cuba (GOC) among the 11 "most repressive regimes" in the world, with failing scores on political rights and civil liberties. The reasons are apparent. The GOC violates fundamental human rights and directly controls mass media, trade unions, universities, and all formal economic activity. The GOC tries to censor all independent sources of information reaching the Cuban people. The GOC jams foreign radio broadcasts, controls internet access, censors or bans foreign books, newspapers and magazines, and forbids importation of videocassettes and videocassette recorders.

During 2002, the GOC increased its repression of human rights groups, independent journalists, and other peaceful democratic activists. Ten to twenty year prison sentences can be imposed on any Cuban receiving or disseminating prohibited information, printed material, or engaging in any activity deemed as aiding U.S. policy towards Cuba. In the economic arena, the GOC's punitive taxation and harassment of self-employed people continue to reduce their numbers. At the end of 2001, the official GOC Annual Statistics reported issuing 109,562 licenses for self-employment compared to 210,000 licensed issued in 1997. In 2002, the GOC stopped issuing new licenses.

Peaceful transition to democracy is the principal U.S. foreign policy interest in Cuba. The country remains on the list of terrorist countries compiled by the U.S. Department of State. The U.S. Government firmly believes the best path to promoting a peaceful transition to democracy for Cuba lies in continuing a multi-faceted approach: comprehensive economic sanctions; outreach to the Cuban people; promotion and protection of human rights; multilateral efforts to press for democracy; and migration accords to promote safe, orderly and legal migration.

**The USAID Program:** In support of peaceful transition to democracy, the USAID program focuses on development of civil society through information dissemination. In FY 1996, USAID awarded its first grant aimed at promoting a democratic transition in Cuba. The grant was awarded under the Cuban Democracy Act of 1992, which authorizes the U.S. Government to provide assistance "...through appropriate non-governmental organizations (NGOs), for the support of individuals and organizations to promote nonviolent democratic change in Cuba." The Cuban Liberty and Solidarity (LIBERTAD) Act of 1996 further elaborates the types of assistance and support the President is authorized to provide. Assistance is aimed at individuals and independent NGOs to support democracy-building efforts for Cuba. Authorized assistance includes: published and informational matter (e.g. books, videos, and cassettes) on democracy, human rights and market economies; humanitarian assistance to victims of political repression, and their families; support for democratic and human rights groups in Cuba; and support for visits by and permanent deployment of independent international human rights monitors in Cuba.

USAID requests FY 2004 funds under its single objective, "Civil Society Developed through Information Dissemination", described in more detail in the Data Sheet below. The focus is on information dissemination to foster democratic progress and the development of civil society. The program provides support to U.S. NGOs and individuals, and encourages them to undertake humanitarian, information-sharing, and civil society-building activities in Cuba with private funds, subject to applicable U.S. Treasury and Commerce Department regulations. Dozens of NGOs have engaged in such activities over the past several years. Licensed humanitarian goods alone, from private sources, total millions of dollars. The intent of USAID funding is to support activities for which adequate private resources are not presently available.

FY 2003 funds will support ten ongoing grants and five new ones. USAID support will increase the flow of accurate information on democracy, human rights, and free enterprise to, from, and within Cuba. It will encourage development of independent civil society and provide humanitarian assistance to political prisoners, their families, and other victims of repression.

**Other Program Elements:** None.

**Other Donors:** The Roman Catholic Church provides assistance to CARITAS Cubana, one of the few independent Cuban NGOs. In 2000, Canada, China, Russia, the European Union, Japan, and the United Nations Development Program delivered more than \$90 million in economic and humanitarian aid to Cuban government organizations.

**Cuba**  
**PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Economic Support Fund	4,989	5,000	6,000	7,000
<b>Total Program Funds</b>	<b>4,989</b>	<b>5,000</b>	<b>6,000</b>	<b>7,000</b>

**STRATEGIC OBJECTIVE SUMMARY**

516-001 Civil Society Developed				
ESF	4,763	5,000	6,000	7,000

TRANSFER				
ESF	226	0	0	0

## Data Sheet

<b>USAID Mission:</b>	Cuba
<b>Program Title:</b>	Civil Society Developed
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	516-001
<b>Status:</b>	Continuing
<b>Proposed FY 2003 Obligation:</b>	\$6,000,000 ESF
<b>Prior Year Unobligated:</b>	\$776,000 ESF
<b>Proposed FY 2004 Obligation:</b>	\$7,000,000 ESF
<b>Year of Initial Obligation:</b>	FY 1996
<b>Estimated Completion Date:</b>	FY 2005

**Summary:** USAID's Cuba program seeks to develop civil society on the Island. The program: 1) builds solidarity with democratic and human rights groups on the Island and funds visits to Cuba by international human rights monitors; 2) gives voice to Cuba's independent journalists by disseminating their reports on human rights violations within Cuba; 3) develops independent nongovernmental groups in Cuba; 4) defends the rights of Cuban workers; 5) provides direct outreach to the Cuban people, giving them information on democracy, human rights, and free enterprise; and 6) develops transition plans for a future democratic Cuba, and communicates the plans to the Cuban people.

### **Inputs, Outputs, Activities:**

#### **FY 2003 Program:**

Build solidarity with democratic and human rights groups (\$3,000,000 ESF). Funding will support five continuing grantees and one new grantee. USAID, through grantee assistance, will provide food and medicine to political prisoners, their families, and other victims of repression; information sharing and other assistance to Cuba's human rights activists; and visits to Cuba by international human rights monitors. This assistance contributes immediately to USAID's goal of promoting the development of a politically active civil society.

Encourage and cultivate pro-democracy materials to Cuban citizens and violations of human rights reported worldwide (\$1,500,000 ESF). Twenty five percent of program funds will support three grantees. Cuba On-Line will send copies of its newsletter, and CubaNet reports by independent journalists, directly to the Cuban people. Florida International University's International Media Center will continue to train and assist Cuba's independent journalists. This assistance has a direct and immediate impact on its beneficiaries, the Cuban people, through helping to develop civil society through information dissemination.

Help develop independent Cuban NGOs (\$800,000 ESF). The program will support one continuing and one new grantee, training Cuban NGO leaders in the management and delivery of social services. Program grantees will also continue to provide Cuba's growing independent library network with books, pamphlets and magazines on democracy, human rights, and free enterprise; and provide other material support. This will enable the libraries to develop into community centers, offering a wide range of social services.

Defend the rights of Cuban workers (\$200,000 ESF). During FY 2003, the program will continue to denounce Government of Cuba (GOC) violations of workers' rights, and will fund activities to strengthen independent labor organizations on the island.

Plan for transition (\$500,000 ESF). The University of Miami will expand on-line databases, publish transition studies, and sponsor seminars. The studies will examine economic and financial institutions required for free-market reforms; labor policy reforms; role of the state in a democratic Cuban society; budgetary, fiscal, and commercial policy reforms; and the welfare system and social safety net in a free-

market society. Two Washington-based seminars and one Miami-based seminar will discuss study findings and make policy recommendations. A grant to Georgetown University will train future Cuban leaders in private sector development and democratic principles.

**FY 2004 Program:**

Build solidarity with democratic and human rights groups (\$4,000,000 ESF). FY 2004 program funds will continue to provide food and medicine to political prisoners, their families, and other victims of repression; information-sharing and other assistance to Cuba's human rights activists; and visits to Cuba by international human rights monitors.

Provide pro-democracy materials provided to Cuban citizens and human rights violations reported to NGOs worldwide (\$1,500,000 million ESF). Additional funding will support Cuba On-Line publications and the training of Cuban journalists.

Help develop independent Cuban NGOs (\$600,000 ESF). Funding will remain constant under this objective. Two grantees will provide training in the delivery of independent social services to Cuban NGO leaders.

Defend the rights of Cuban workers (\$200,000 ESF). Activities will continue to promote free labor development in Cuba.

Plan for transition (\$700,000 ESF). Studies and seminars with the University of Miami and leadership training with Georgetown University will continue.

**Performance and Results:** During FY 2002, USAID grantees generated major increases in the flow of accurate information on democracy, human rights, and free enterprise to, from, and within Cuba. U.S. NGO partners exceeded their goals in the level of humanitarian assistance supplied to political prisoners and their families and to other victims of repression. Their support encouraged development of Cuban civil society, increasing visits to Cuba by independent human rights monitors. To help prepare and ensure that any future post-Castro transition government in Cuba will be rapid, peaceful, and democratic, the program made a major investment in establishing the University of Miami Cuban Transition Project. During 2001, in spite of Government of Cuba repression, the Cuban democratic opposition increased its numbers and strength. It carried out over 600 coordinated, peaceful, and non-violent actions of civil resistance.

Successful implementation of this objective will result in the development of a Cuban civil society increasingly knowledgeable of their civil and legal rights and responsibilities under a freely elected Cuban government. It will provide understanding of the function and benefits of a free market enterprise system. It will help to alleviate the suffering of political prisoners and their families. It also will strengthen the role and delivery capacity of independent Cuban NGOs and provide transition scenarios on the development of economic, financial, and legal institutions required in a post-Castro democratic and free-market Cuban society.

## US Financing in Thousands of Dollars

Cuba

516-001 Civil Society Developed	<b>ESF</b>
<b>Through September 30, 2001</b>	
Obligations	12,019
Expenditures	8,693
Unliquidated	3,326
<b>Fiscal Year 2002</b>	
Obligations	7,226
Expenditures	4,263
<b>Through September 30, 2002</b>	
Obligations	19,245
Expenditures	12,956
Unliquidated	6,289
<b>Prior Year Unobligated Funds</b>	
Obligations	776
<b>Planned Fiscal Year 2003 NOA</b>	
Obligations	6,000
<b>Total Planned Fiscal Year 2003</b>	
Obligations	6,776
<b>Proposed Fiscal Year 2004 NOA</b>	
Obligations	7,000
Future Obligations	2,984
Est. Total Cost	36,005